

What does “Dissolution” of a PRD mean?

This is the legal term for eliminating or getting rid of a PRD. When the dissolution is complete, the PRD ceases to exist and properties are no longer assessed PRD charges. Responsibility for future road maintenance reverts to the property owners.

Dissolving a Permanent Road Division (PRD)

Just as a PRD can be created through a formation process, it can also be dissolved through a dissolution process. Once the financial obligations of the PRD are met, i.e. outstanding loans or invoices, the benefiting property owners can petition the County to dissolve the PRD.

Upon written request from the PRD Chairperson or designee, Special Districts Administration will initiate a dissolution notice and ballot procedure to determine the level of agreement among the benefiting property owners. If at least 50% of the “weighted majority” of benefiting property owners approve of the dissolution, the request will be submitted to the Board of Supervisors for formal action. If the Board of Supervisors approves the dissolution, PRD assessments will be removed from the Property Tax Rolls effective the following tax year, and maintenance responsibilities for the affected road(s) will revert back to the property owners.

If the intent of the property owners is to return the road to “private” status, there is a separate procedure property owners must complete. This procedure is called a “road vacation” (conversion of public road to private road) and is processed through the Department of General Services, Real Estate Services Division. There is a separate cost associated with the road vacation which requires a deposit from property owners directly to General Services.

How to Request a PRD Dissolution

The process begins when Special Districts Administration receives a written request from the PRD Chairperson or his designee, to dissolve the PRD. Special Districts Administration will allocate \$2,000 from the existing PRD fund to finance the administrative costs of the dissolution process. *Because there is a financial obligation placed on the PRD for administration of the dissolution process, it is strongly recommended the Chairperson gauge the level of support among property owners prior to submitting the request.*

Special Districts Administration will send a Notice of Intent to Dissolve and Ballot to each PRD property owner. Returned ballots will be tabulated and certified by a neutral third party. The ballots are “weighted” based on proportional financial obligation of each parcel. Once the ballots are tabulated, a notice will be sent to PRD property owners advising them of the results. Getting to this point of the dissolution process normally takes about 70 days.

When Ballot for Dissolution Passes

If it's determined that 50% or greater of the weighted returned ballots approve of the dissolution, Special Districts Administration will proceed with the dissolution request.

Within 45 days of ballot tabulation, Special Districts Administration will prepare all dissolution materials and schedule a Board of Supervisors hearing to present the dissolution request and receive public comment. PRD property owners will be notified of the hearing date.

A second Board of Supervisors hearing will be scheduled approximately 30 days from the first hearing and if approved, the dissolution will be effective on that day.

Within 30 days following the dissolution date, Special Districts Administration will initiate a refund process whereby PRD property owners are refunded available fund balances, less the administrative costs for dissolution. Refunds are issued to the current property owner of record, and amounts are based on the proportional financial obligation of each parcel.

Once the PRD is dissolved, PRD assessments will be removed from the Property Tax Rolls for the next fiscal year, and all road maintenance responsibilities will return to the property owners.

When Ballot for Dissolution Fails

If it's determined that less than 50% of the weighted returned ballots approve of the dissolution, Special Districts Administration will notify PRD property owners that the dissolution request has failed.

The administrative costs for processing the ballots will be removed from the \$2,000 allocated for the process and the remaining funds will be returned to the PRD account.

Assessments placed on the Property Tax Rolls will remain in place and Special Districts Administration will continue to administer the PRD.

Return to Private Road Status

Dissolving the PRD does not automatically return the affected road(s) to "private" road status. If the intent of the property owners is to gate or otherwise block future public access to the road(s), they must file a formal application with the Department of General Services, Real Property Division to "vacate" the road(s). Application to vacate cannot be approved until dissolution of the PRD is granted.

The costs for road vacation are born directly by the affected property owners. Typically, General Services requires a monetary deposit of \$1,600 before work on the road vacation can begin.